of the 10th plan, at Rs. 90,890 crore. The balance requirements in infrastructure for the remaining period of the tenth plan *i.e.* 2003-2007 has to come from all sectors including domestic corporate sector and FDI.

(c) The Government has announced various incentives for development of infrastructure. The Budget 2004-05 has announced further measures to improve infrastructure. Some of these include:

(a) Inter-Institutional Group (IIG) formed by IDBI, IDFC, ICICI Bank, SBI, LIC, Bank of Baroda and Punjab National bank to ensure speedy conclusion of loan agreements and implementation of infrastructure projects.

(b) All drinking water schemes to be brought under the umbrella of the Rajiv Gandhi Drinking Water Mission; allocation of Rs. 2610 crore for Accelerated Rural Water Supply Programme (ARWSP) in the current year.

(c) Sethusamudram Ship Canal Project: Environmental Impact Assessment study which has been completed and the techno-economic feasibility report expected shortly.

(d) Construction of an International Container Transshipment Terminal (ICTT) at Vallarpadam in Kochi port on BOT basis.

(e) Rural Housing: Allocation for Indira Awas Yojana (IAY) raised by Rs. 537 crore to Rs. 2247 crore.

Government intends to support Public Private partnerships in infrastructure and to this end Rs. 1500 crore have been provided for viability Gap Funding of such projects.

**Agenda to tone up Public Sector Banks**

1974. SHRI DARA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have set out any agenda to tone up Public Sector Banks operations in order to enhance their capabilities and competitiveness in the global financial market;

(b) whether the high incidence of non performing assets is posing a threat to the profitability of banking industry and

(c) if so, what remedial measures Government have taken so far in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) As a part of the new initiatives to strengthen the banking sector in the country to bring it to global standards, the Public Sector Banks are seriously evaluating consolidations as one of the strategies to increase compeitiveness and add value. Consolidation would allow economies of scale in terms of footprint, manpower and other resources. Having Indian Banks of a larger size would enable them to face competition arising from internationalization of the economy. Consolidation is a timely response to augment efficiency which would lead to income generation and add to GDP of the country. To improve the functioning and profitability of the Nationalised Banks, Government has taken some steps. These steps *inter-alia* include enactment of law for effective recovery of Non-Performing Assests; deregulation of interest rates; introduction of prudential norms; reduction in Satutory Liquidity Ratio and Cash Reserve Ratio; and encouragement to Information Technology, Oganizational Restructuing, etc.

(b) and (c) Government of India and Reserve Bank of India have stipulated certain steps for recovery of loans which *inter-alia* include evolving and implementing a recovery policy by banks, filing of suits in civil courts/ DRTs compromise settlement and monitoring and follow up of NPAs at various levels. Credit Infomation Bureau has been set up to disseminate information on borrowers among the banks. Corporate Debt Restructuring (CDR) scheme has been put in place to provide a transparent mechanism for restructuring of coporate debts of viable entities facing problems due to internal and external factors. Assest reconstruction Company (India Ltd.) has been incorporated for the purpose of addressing Non-performing Assets. The recent amendment of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has further strengthened the recovery process of the Banks.

**Branches of NABARD**

1975. SHRI BALAVANT *ALIAS* BAL APTE: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal for setting up the branches of the National Agriculture and Rural Development Bank in every district;